

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

FEB 26 2004

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02393A  
Chaparral Water Company  
2601 West Dunlap, Ste 10  
Phoenix AZ 850210000

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2003</b>
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FOR COMMISSION USE

<b>Ann04</b>	<b>03</b>
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## COMPANY INFORMATION

**Company Name (Business Name)** Chaparral Water Company

**Mailing Address** 2601 W. Dunlap #10

Phoenix

(Street)

AZ

(City)

85021

(State)

(602) 395-2600

Telephone No. (Include Area Code)

(602) 395-2677

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** Same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** The Carioca Company

(Name)

(Title)

2601 W. Dunlap #10

(Street)

Phoenix

(City)

AZ

(State)

85021

(Zip)

(602) 395-2600

Telephone No. (Include Area Code)

(602) 395-2677

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** B & J Services Attn: Bob Gonzales

(Name)

PO Box 5605

(Street)

Sun City

(City)

AZ

(State)

85376

(Zip)

(623) 975-2424

Telephone No. (Include Area Code)

(623) 584-5050

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Jeff Erhart

(Name)

649 N. 3<sup>rd</sup> Ave

(Street)

Phoenix

(City)

AZ

(State)

85003

(Zip)

(602) 254-5941

Telephone No. (Include Area Code)

(602) 254-5942

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Chaparral Water Company

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,923		10,923
304	Structures and Improvements			
307	Wells and Springs	142,460	91,929	50,531
311	Pumping Equipment	101,933	97,045	4,888
320	Water Treatment Equipment	16,380	16,380	
330	Distribution Reservoirs and Standpipes	224,523	215,526	8,997
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	6,310	6,310	
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	9,623	8,930	693
	<b>TOTALS</b>	<b>512,152</b>	<b>436,120</b>	<b>76,032</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Chaparral Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,923		
304	Structures and Improvements			
307	Wells and Springs	142,460	3.257 %	4,640
311	Pumping Equipment	101,933	2.3878%	2,434
320	Water Treatment Equipment	16,380		
330	Distribution Reservoirs and Standpipes	224,523	1.6029%	3,599
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	6,310		
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	9,623	2.8785%	277
	<b>TOTALS</b>	512,152	2.138 %	10,950

This amount goes on Comparative Statement of Income and Expense \_\_\_\_\_  
 Acct. No. 403.

COMPANY NAME *Chaparral Water Company*

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ -0-	\$ -0-
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	13,172	18,492
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 13,172	\$ 18,492
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 508,264	\$ 512,151
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(425,171)	(436,120)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 83,093	\$ 76,031
	<b>TOTAL ASSETS</b>	\$ 96,265	\$ 94,523

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Chaparral Water Company

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 1,767	\$ 453
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	9,956	10,843
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	4,406	4,641
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 16,129	\$ 15,937
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 80,136	\$ 78,586
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 96,265	\$ 94,523

COMPANY NAME Chaparral Water Company

## COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 133,162	\$ 126,305
460	Unmetered Water Revenue		
474	Other Water Revenues	609	62
	<b>TOTAL REVENUES</b>	\$ 133,771	\$ 126,367
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 19,377	\$ 17,275
610	Purchased Water		
615	Purchased Power	20,280	
618	Chemicals		
620	Repairs and Maintenance	14,939	27,057
621	Office Supplies and Expense	5,034	4,259
630	Outside Services	26,640	46,800
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	2,484	
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	8,578	14,046
675	Miscellaneous Expense		
403	Depreciation Expense	10,728	10,950
408	Taxes Other Than Income		
408.11	Property Taxes	7,909	8,010
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 115,969	\$ 128,397
	<b>OPERATING INCOME/(LOSS)</b>	\$ 17,802	\$ (2,030)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(302)	(330)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (302)	\$ (330)
	<b>NET INCOME/(LOSS)</b>	\$ 17,500	\$ (2,360)



COMPANY NAME Chaparral Water Company

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt – NONE**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

COMPANY NAME Chaparral Water Company

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-619-218	15	90		8	3	
55-619-219	15	50		8	3	
55-561-9217	15	90		8	3	
55-558536	25	140		12	3	

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1		
10	5		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15,000	1	5,000	1
35,000	2	3,000	1
10,000	2	10,000	1
165,000	1		

COMPANY NAME Chaparral Water Company

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	1,800
5		
6	PVC	4,800
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	318
3/4	
1	2
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

Chlorinating equipment on well site #1, 2, and 3

**STRUCTURES:**

8' x 12' metal storage shed

**OTHER:**

COMPANY NAME: Chaparral Water Company

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	325	2460339	3060200
FEBRUARY	324	2492190	3306300
MARCH	328	2773474	3000100
APRIL	330	2893390	2784100
MAY	329	5081520	4518900
JUNE	329	4993350	4462200
JULY	328	6544710	6075200
AUGUST	332	6099620	5578800
SEPTEMBER	329	3505610	6119300
OCTOBER	325	4251020	4644200
NOVEMBER	325	3389720	3992200
DECEMBER	328	2976560	3637500
TOTAL			51239000

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes      ( ) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. < .0050 mg/l \*

(If more than one well, please list each separately)

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

\* 55-619217, 55-619218, 55-619219, 55-548443

The above result was the same for all the above wells.

COMPANY NAME Chaparral Water Company YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 7959.74

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY NAME Chaparral Water Company

YEAR ENDING 12/31/2003

**INCOME TAXES**

FEB 26 2004

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

Paid by Parent Company

State Taxable Income Reported  
Estimated or Actual State Tax Liability

Paid by Parent Company

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances  
Amount of Gross-Up Tax Collected  
Total Grossed-Up Contributions/Advances

- 0 -  
- 0 -  
- 0 -

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

2/25/04  
DATE

Marvin L. Rose  
PRINTED NAME

President  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

FEB 28 2004

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Marvin L. Rose, President</u>
COMPANY NAME
<u>Chaparral Water Company</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2003</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 134,627.05

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 8322.32  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

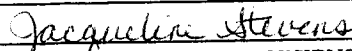
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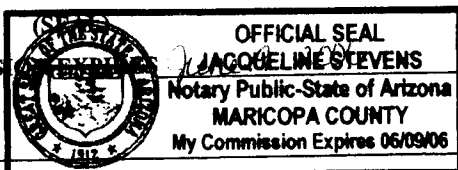
DAY OF

  
SIGNATURE OF OWNER OR OFFICIAL  
(602) 395-2600  
TELEPHONE NUMBER

COUNTY NAME	
<u>Maricopa</u>	
MONTH <u>February</u>	<u>2004</u>

  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

FEB 25 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>Marvin L. Rose</u>	TITLE <u>President</u>
COMPANY NAME <u>Chaparral Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 134,627.05

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 8322.32  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

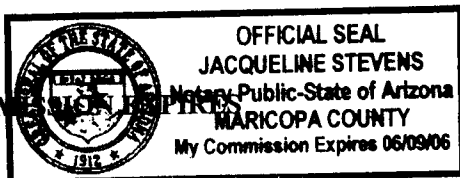
  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 25 DAY OF

NOTARY PUBLIC NAME <u>Jacqueline Stevens</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>February</u>	<u>2004</u>

(SEAL)

MY COMMISSION



x   
SIGNATURE OF NOTARY PUBLIC



00001797

00001797

March 6, 2003

00001797

\*\*\* THREE THOUSAND NINE HUNDRED FIFTY FOUR AND 52/100 \*\*\*

TO THE  
ORDER  
OF

Maricopa County Treasurer  
P O BOX 76574  
Phoenix, AZ 85062-8574

VOID AFTER 90 DAYS

*Eric J. Young*

"80001797" "044115443" 986619541 "0000395452"

Security Printers, Inc. 800-733-4277

LC-1

**D**  
The security features listed below, as well as those not listed, are in accordance with industry guidelines.  
**Security Features:**  
• MicroPrint Signature Line  
• Chemical Protection  
• Security Screen  
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• Small type in signature line, appears as dotted lines when photo copied  
• Strains or spots appear with chemical alteration  
• Absence of "Original" watermark  
• Verbiage on back of check  
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CREDIT TO ACCT OF  
NAMED PAYEE WITH  
OUT PREJUDICE  
ABSENCE OF ENDORS  
MENT GUARANTEED E  
BANK ONE, NA

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR FINANCIAL INSTITUTION

ENDORSE HERE:  
X

80001909

Check No: 1909

DATE

October 23, 2003

AMOUNT

\$4,005.22

\*\*\*\* FOUR THOUSAND FIVE AND 22/100 \*\*\*\*

VOID AFTER 90 DAYS

THE  
DER

Maricopa County Treasurer  
P O BOX 78574  
Phoenix, AZ 85062-8574

*[Signature]*

⑈80001909⑈ ⑆044115443⑆

986619541⑈

⑈0000400522⑈

ers, Inc. 800-733-4277

LC-1

Security features included. Details on Back.



The security features listed below, as well as those not listed, are in accordance with industry guidelines.

Security Feature

MicroPrint Signature

Chemical Protection

Security Screen

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Results of document alteration:

- Small type in signature line appears as dotted lines when photocopied.
- Stains or spots appear with chemical alteration.
- Absence of "Original Document" verbiage on back of check.

13 347 348 1 61208107 6 0099102703

BANK ONE, NA  
⑈1119013314⑈  
102703  
54453601

ENDORSE HERE:  
X

DO NOT WRITE OR SIGN BELOW THIS LINE  
RESERVED FOR FINANCIAL INSTITUTION

CREDIT TO ACCT OF  
NAMED PAYEE WITH  
OUT PREJUDICE  
ABSENCE OF ENDORSE-  
MENT GUARANTEED BY  
BANK ONE, NA